

Issue 72: INSIDER'S EDGE: MCHP Premium v. QHP Enrollment—Do Consumers Have Options?

Welcome to another edition of the Insider's Edge. Let's take a look at this week's question!



Dear Marge,

I am working with a family of 7 in which the household income qualifies the parents for advanced premium tax credits (APTC) and cost-sharing reductions (CSR) and the children for MCHP Premium. The parents would like to decline the MCHP Premium coverage and enroll the entire family in a qualified health plan (QHP). If they do so, will the children be eligible for APTC/CSR?

-- *Curious Caseworker*

The short answer: No. As you may recall from *Issue 54: INSIDER'S EDGE: Medicaid v. QHP Enrollment—Do Consumers Have Options?*, individuals who are eligible for Medicaid are *not* eligible for APTC or CSR. This same rule applies to children who qualify for MCHP or MCHP Premium.

So what does this mean in practice? Because the children qualify for MCHP Premium, they do not qualify for APTC/CSR. The family can apply the APTC to the household plan to reduce the cost of the parents' premiums, **but the family will need to pay the full cost of the kids' premiums if they elect to cover them through a QHP.** Remember, individuals who are otherwise eligible for Medicaid, who elect to decline coverage, must pay the full cost of purchasing coverage through a QHP.

Things get a little more complicated if the parents are eligible for CSR and the family wants to decline MCHP Premium coverage. In that case, the family must enroll in two different QHPs in order to keep the CSR. The parents will need to enroll in one plan (with CSR) and the kids in another (without CSR).

The monthly cost of MCHP Premium is relatively low and assessed per family/household rather than per child. Thus, it may be more expensive for families to pay the full cost of QHP coverage for their children and to decline MCHP Premium coverage. For more information on current MCHP Premium income limits and premium amounts,

see <https://mmcp.dhmh.maryland.gov/chp/Documents/Rate%20Cards%202014%20revised%204-10-14.pdf>.

See you next week! Questions? E-mail me: dhmh.medicaidmarge@maryland.gov.